

DAVE ARMSTRONG

STATE REPRESENTATIVE • 75TH ASSEMBLY DISTRICT

Testimony on Assembly Bill 39 May 18, 2023

Thank you for the opportunity today to speak on behalf of Assembly Bill 39.

The Wisconsin Housing and Economic Development Authority (WHEDA) administers the Low Income Housing Tax Credit (LIHTC) program, which encourages the development or rehabilitation of low-to-moderate-income housing by offering income tax credits to the owners of or investors in qualifying properties. The total amount of LIHTC credits that may be claimed by all certified developers at a given time is currently \$42 million. AB 39 increases this cap to \$100 million. I believe there will be other speakers today who will explain in greater detail how LIHTC works on the ground and what AB 39 means for their projects.

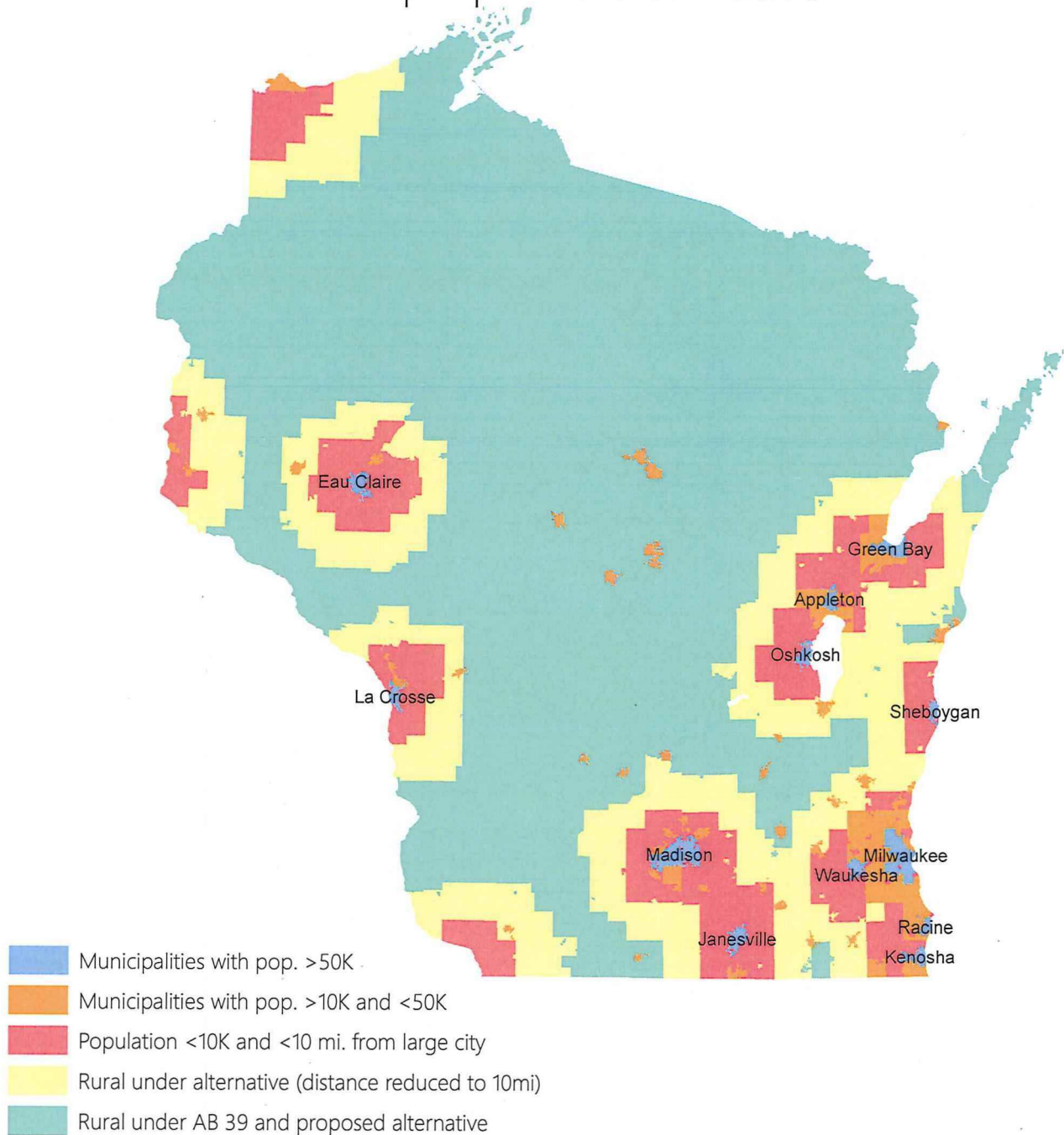
The other major portion of AB 39, which is particularly important to me as the Director of Economic Development for a rural county in northwestern Wisconsin, requires WHEDA to set aside at least 35% of its annual LIHTC allocations for qualified projects in rural areas, which the bill defines as municipalities with fewer than 10,000 residents that are at least 25 miles from municipalities with populations of 50,000 or more. Communities across the state are facing affordable housing shortages, but I believe rural cities, towns, and villages are in particular need of increased housing stock, and these changes will assist to satisfy that need. While current law does require WHEDA to give preference to qualified projects in “smaller communities”, the definition it uses – 150,000 or less – includes cities like Green Bay, Kenosha, Racine, and Appleton. Although these communities are certainly smaller than Milwaukee and Madison, they are still major cities by Wisconsin standards. The set-aside in AB 39 leaves that provision in place but also ensures that truly small, rural communities are not overlooked. (If there is a year when there are not enough qualified applicants from rural communities to hit the threshold, the 35% minimum will not apply.)

Lastly, AB 39 makes a technical change that will allow insurers that are shareholders of tax-option corporations, partners in partnerships, or members of limited-liability companies to claim the credit.

At the request of the Department of Revenue, Assembly Amendment 1 removes a carryback provision from the original bill. The amendment also includes a technical change DOR requested that corrects an inconsistency in current law.

Thank you for your consideration.

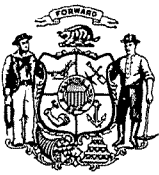
Rural/nonrural areas under 2023 Assembly Bill 39 and proposed alternative



Rural population under AB 39: 1,150,119
 Nonrural population under AB 39: 4,799,037
 Rural population under proposed alternative: 1,848,762
 Nonrural population under proposed alternative: 4,100,394



Data Sources: Municipal boundary data from Minnesota Geospatial Commons, U.S. Census Bureau, and Wisconsin Legislative Technology Service Bureau. Population estimates from Minnesota State Demographic Center, U.S. Census Bureau, and Wisconsin Department of Administration.



DAN FEYEN

STATE SENATOR

18th Senate District
(608) 266-5300
Sen.Feyen@legis.wi.gov

PO Box 7882, Madison, WI 53707-7882
<http://legis.wisconsin.gov/senate/18/feyen>

To: The Assembly Committee on Housing and Real Estate
From: Sen. Dan Feyen
Re: Assembly Bill 39

Hello members of the committee, thank you for taking the time to hear testimony on AB 39.

This bill takes the very successful Low-Income Housing Tax Credit and expands it, increasing the annual cap from \$42 million to \$100 million.

In 1986, the Federal Low Income Housing Tax Credit was created by President Reagan to spur private investment into workforce and affordable housing. The goal of this program was to address a growing housing crisis and replace a government housing program with a market-based approach. Since 1986, this program is responsible for 60,000 homes and \$10 Billion in wages and income in Wisconsin alone.

In 2018, Wisconsin's Low-Income Housing Tax Credit was created and is already responsible for the development of 56 properties and nearly 5,000 units.

With increased cost-of-living, inflation and economic uncertainty, there continues to be huge demand for affordable housing. It is estimated that Wisconsin's housing stock is currently underbuilt by 26,000 units in the largest 20 counties alone. Additionally, 43,000 Wisconsin seniors are spending more than half their income on housing.

AB 39 removes barriers to access this credit by eliminating the requirement that a "qualified development" be financed with tax-exempt bonds.

The bill also focuses on the needs of our rural communities, by requiring WHEDA to award 35% of the credits each year to rural areas, if possible. This is not a mandate, but ensures the credit is helping developments in every corner of our state.

Wisconsin is facing workforce shortages throughout many sectors of our economy. Increasing the credit from \$42 million to \$100 million will bolster our workforce, by increasing our available housing supply. With more housing, we can bring more people into our state to work and live.

Thank you again for having a public hearing on this bill. I am happy to answer any questions.

To: Assembly Committee on Housing and Real Estate
**From: Elmer Moore Jr., CEO and Executive Director, Wisconsin Housing
and Economic Development Authority**
Date: May 18, 2023
RE: Workforce Housing Package

Chairman Brooks, Vice Chair Penterman, and members of the Assembly Committee on Housing and Real Estate.

I am Elmer Moore, Jr., CEO and Executive Director of WHEDA, the Wisconsin Housing and Economic Development Authority. I am here today to share information on the Workforce Housing Package and Assembly Bill 39 (AB39), legislation aimed at addressing challenges Wisconsin faces in providing affordable housing.

Wisconsin needs more than 120,000 rental units to meet the needs of its residents. Nearly 170,000 residents pay more than half their income on rent or mortgage payments. That number should be no more than 30 percent of a household's income. Without access to decent, stable, and affordable housing our Wisconsin workforce struggles to afford necessities such as quality food, childcare, and transportation.

Various factors contribute to the insufficient supply of housing: scarcity of land, restrictive land-use controls, insufficient infrastructure, expensive building materials, cumbersome permitting processes, and NIMBYism. The severity of these barriers varies from place to place, but taken as a whole, they almost always hamper the production of housing.

I thank Representative Brooks, Senator Quinn, and the many authors of the Workforce Housing package for spearheading efforts to address our housing crisis and for including us in the discussion of how WHEDA can be an instrument for these bills.

We also appreciate the proposed creation of new loan products, expansion of the Housing Rehabilitation Loan program in Assembly Bill 267 (AB267) and the expansion of the State Housing Tax Credit (HTC) program in AB39. We are confident that WHEDA can administer these proposed programs, should each proposal receive appropriate investment from the state.

Assembly Bill 264 (AB264), the Residential Housing Infrastructure Revolving Loan Program, is an opportunity to spur development by offering 0% interest loans to finance infrastructure for affordable housing projects. To be eligible for the funding, the municipality must voluntarily revise zoning ordinances and other regulations that impact development time and costs. WHEDA has heard anecdotally that this is an area of great need and opportunity.



AB264 ensures that affordability is maintained through income limits on renters and homeowners, and reporting requirements on rents that are not to exceed 30% of 100% of the Area Median Income (AMI) for 10 years.

AB264 includes language on both rural and senior housing set-asides and a semi-annual application process. This legislation gives WHEDA the flexibility to operate the loan program while setting strong parameters to measure eligibility, cost reductions, needs of a community, and loan terms.

We do, however, recommend the removal of Page 6, Line 17, which prevents money in the fund from being invested under WHEDA's sound financial practices. We use monies in the fund to cover real and necessary costs administering the program, so freeing WHEDA to invest money may recuperate some of those costs, leaving more of the funds to deploy. We would otherwise be forced to split any appropriations from the state for this fund into multiple FDIC insured accounts to prevent unexpected losses. WHEDA feels the safe and responsible investment of the fund is the most preferable solution. A similar change is recommended for Assembly Bill 265 (AB265) and Assembly Bill 268 (AB268) as well.

Like the Residential Infrastructure Revolving loan program (AB264), the Main Street Housing Rehabilitation Loan Program (AB265) and the Commercial-to-Housing Conversion Loan Program (AB268) contain many of the same conditions for project eligibility. The 10-year affordability periods for rental and homeownership are included as is the 30% rural set-aside in both these bills. Additionally, the political subdivisions that are home to a project must work to reduce the costs for developers and show their efforts to WHEDA using a cost reduction analysis form for loan eligibility.

The fourth piece of legislation, AB267, provides technical improvements to current law. In 2022, the Wisconsin Legislature created a workforce housing rehabilitation loan program administered by WHEDA, under 2021 Wisconsin Act 221 (Act 221). This proposal gained unanimous support in the Senate and nearly unanimous support in the Assembly, and helped bring to light the rehabilitation needs of single-family homeowners across the state living in aging housing stock.

More than 60 percent of single-family structures in Wisconsin were built before 1980. Many require substantial repair, modernization, or energy-efficiency upgrades. While Wisconsin's current housing stock and established neighborhoods provide great value compared to new construction, these homes need investment and rehabilitation to maintain decent, safe, and sanitary conditions for many years to come.

While Act 221 helped highlight this issue, the legislation included no state appropriation and prevented WHEDA from borrowing capital at reasonable rates, due to the lack of an implementable repayment schedule. Under Act 221, the loans would be repaid upon the sale or transfer of title of the home, or when the home is vacated by the owner and the owner's family. This uncertain repayment schedule and other concerns in Act 221 prevented WHEDA from implementing the program.

WHEDA is glad to see renewed interest in addressing issues in the Housing Rehabilitation Loan Program, both through AB267 and in Governor Evers' budget proposal, which is similar. A new technical fix is required in AB267, where the cap on the loan is limited to \$50,000 or "125% of the assessed value of the residence" (Page 3, lines 21-23). WHEDA recommends the correction reflect the "appraised" value, rather than the "assessed" value.

Finally, AB39 expands the State HTC program. We appreciate Representative Armstrong's efforts to increase the amount of credits and effectiveness of the program by raising it from \$42 million to \$100 million. WHEDA first supported Governor Evers' proposal to expand the State HTC program through the 2023-2025 biennial budget to \$100 million, as well.

The State HTC program has been administered by WHEDA since its creation in 2017. It continues to be one of the most effective and efficient tools to address the affordable housing shortage in Wisconsin. In years 2021, 2022, and 2023, WHEDA administered a competitive process awarding \$99.5M in Federal and State HTCs, of which \$21 million came from the State HTC program. Since 2021, the State and Federal HTC programs have supported the development of more than 4000 affordable housing units in communities like Ashland, Ashwaubenon, Green Bay, Eau Claire, Hayward, Sun Prairie, and Barron.

AB39 would expand the existing program under WHEDA's administration from \$42 million to \$100 million without requiring any financial support from the state. WHEDA estimates 13 additional developments would be awarded annually, creating approximately 858 extra units a year. This would be especially impactful in rural areas where the cost to build is higher and more credits are needed per unit developed.

Thank you for the opportunity to provide testimony on AB39, AB264, AB265, AB267, and AB268. On behalf of the entire WHEDA staff, we appreciate the opportunity to support the development of legislation addressing Wisconsin's shortage of affordable housing.

We look forward to continuing to work with you and the authors of these bills to meet our technical needs in these proposed programs. We hope to see appropriate state investment for them to work as intended. I would be happy to answer any questions you may have at this time.

Contacts: Kim Plache, Deputy Director, Kim.plache@wheda.com;
Samantha Linden, Policy Analyst, Samantha.linden@wheda.com





Mary Wright, President
David Ginger, Vice President

May 18, 2023
State Housing Tax Credit Testimony

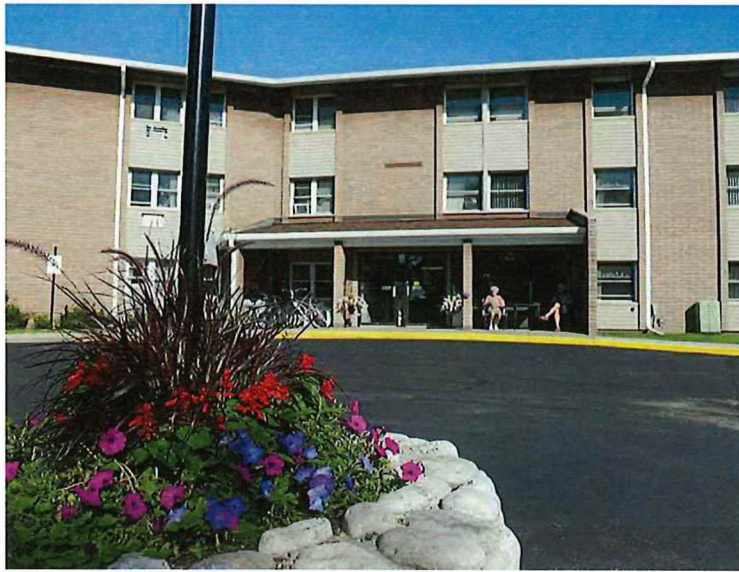
- The Wisconsin Housing Preservation Corp is a non-profit housing developer and owner, headquartered in Madison
 - We are the state's largest owner of affordable workforce and senior housing, with 9,000 units located in 57 of the state's 72 counties – we are truly a statewide housing provider
 - Approximately 35% of our portfolio has utilized the federal and state housing tax credit programs
- WHPC is proud to be the first organization to close a transaction using the State Housing Tax Credit after its creation in 2018
 - The state housing tax credits allowed us to rehabilitate four workforce housing and senior properties in Eau Claire, Chippewa Falls and Superior
 - We utilized the state credit program a second time in 2019 to upgrade a pair of workforce properties in southeast Wisconsin
- For those of us who work in the workforce and senior housing world, assembling capital sources to allow us to create and upgrade workforce and senior housing is an ongoing challenge
 - The cost of lumber, nails, PVC, pipes and skilled tradespeople who are employed to construct housing costs the same whether they are part of high-end, market-rate housing or a workforce housing development
 - It is not unusual for WHPC – and other workforce and senior housing developers – to assemble more than a half-dozen sources of tax credits, financing and grants to develop a new property or substantially rehabilitate an existing property
 - Within the past 2+ years, WHPC completed a 40-unit workforce housing property – with 10 units targeted for residents with disabilities - in New Glarus, which required seven sources of capital
 - A WHPC rehab transaction completed at the same time required eight sources of capital
 - Searching for those finite capital sources is a time-consuming process, that inevitably adds to the costs of completing a new development
 - This capital challenge requires that we build units that are efficient as possible, while also resulting in housing that we, our financial partners, and the cities and villages where that housing is built, can be proud of
 - The recent spike in interest rates has certainly limited the amount of loans that workforce and senior housing can support
 - So, housing tax credits are becoming a vital component of that capital stack

- We strongly support the proposed changes to the state housing tax credit program, and hope that you will agree that the changes will benefit all corners of Wisconsin.
 - The demand for workforce housing continues to outpace supply
 - We know that for every three households who need affordable workforce or senior housing, only one is able to secure that housing
 - WHEDA consistently receives far more requests for federal and state tax credits than the annual amount that is available – and has successfully awarded available credits since the state tax credit program was established five years ago
 - In the most recent tax credit application round, there were \$2.30 requests for every \$1 of available state tax credits
 - For the federal 9% tax credit, the demand was \$2.38 for every available \$1 of federal credits
 - Housing development is economic development – it drives short term construction employment and long-term support and maintenance employment
 - The state credit also allows Wisconsin to better utilize the Federal 4% housing tax credit program – which was seldom used in the state prior to the creation of the state housing tax credit program in 2018
 - The expansion of the state tax credit ceiling to \$100 million will provide additional investor equity that WHPC and other housing developers can use to meet the continual demand for quality workforce and senior housing

Prairie Haus – 30 workforce housing units and 10 units for adults with disabilities in New Glarus
Wisconsin Housing Preservation Corp



Rhinehaus – 65 independent senior units in Rhinelander
Wisconsin Housing Preservation Corp





May 17, 2023

Rep. Rob Brooks- Chairman
State of Wisconsin Assembly Housing Committee
Sen. Romaine Quinn – Chairman
State of Wisconsin Senate Housing Committee

RE: Support for AB 39- Modifications to the State Housing Tax Credit Program

Thank you for the opportunity to voice my support as well as request your support for Assembly Bill 39. This Bill, which would more than double the size of the very successful State Affordable Housing Tax Credit, has numerous benefits for the entire state of Wisconsin.

Northpointe Development is a Workforce and Senior Affordable Housing Developer located in Oshkosh, WI. Since our creation, we have developed over 2,000 housing units in Wisconsin. Over the past few years, we have utilized the State Affordable Housing Tax Credit to bring high impact and quality affordable housing to communities across the state. The State Affordable Tax Credit program has proven that it can increase total housing production in Wisconsin but can also widen the locations, communities, and types of housing projects that can be developed. Northpointe Development has used this program to build housing in both rural and urban locations as well as new construction, adaptive reuse of historic buildings, and quality senior affordable housing. In addition to all the addressing the need for more housing, this program also generates substantial construction jobs and taxes. By my estimations, increasing the program to \$100 million annually will generate over \$500 million of total development cost. Northpointe Development works solely with Wisconsin based contractors, and I can attest that the majority, if not all, of the workers on our job sites are Wisconsin residents.

Our first project using the program allowed us to convert a historic school in Oshkosh, WI into 33 Senior Affordable Housing Units. Our most recent project will allow us to build 65 workforce housing units in Viroqua, WI that will also include 6000 sq ft for a daycare and 2500 sq ft of retail space. Overall, we have or will be developing projects in Antigo, Viroqua, Oregon, McFarland, Madison, Fitchburg, and Oshkosh. These projects, which would not have been developed without the program, will provide an additional 458 quality homes at an affordable monthly cost to the residents. 200 of those homes will be senior affordable housing.

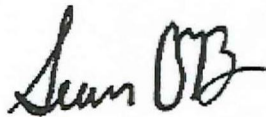
Success of the program and overall benefits:

- **6 years of allocations (2018-2022)**
- **54 awards**
- **Effective financial leverage tool and gap resource**
- **Approximately 4,600 additional affordable units**

- **Approximately \$225 million in total development cost annually**
- **Significantly opens options to build or rehab housing from size, sites, municipalities, etc.**
- **Provides a much-needed solution to new housing in rural communities.**

Thank you again for the opportunity to voice my support for Assembly Bill 39. We ask that when deciding your position on the bill that you please consider the many benefits of the program, the need for more housing across the state, and how increasing the State Program would add to success story started in 2018.

Sincerely,

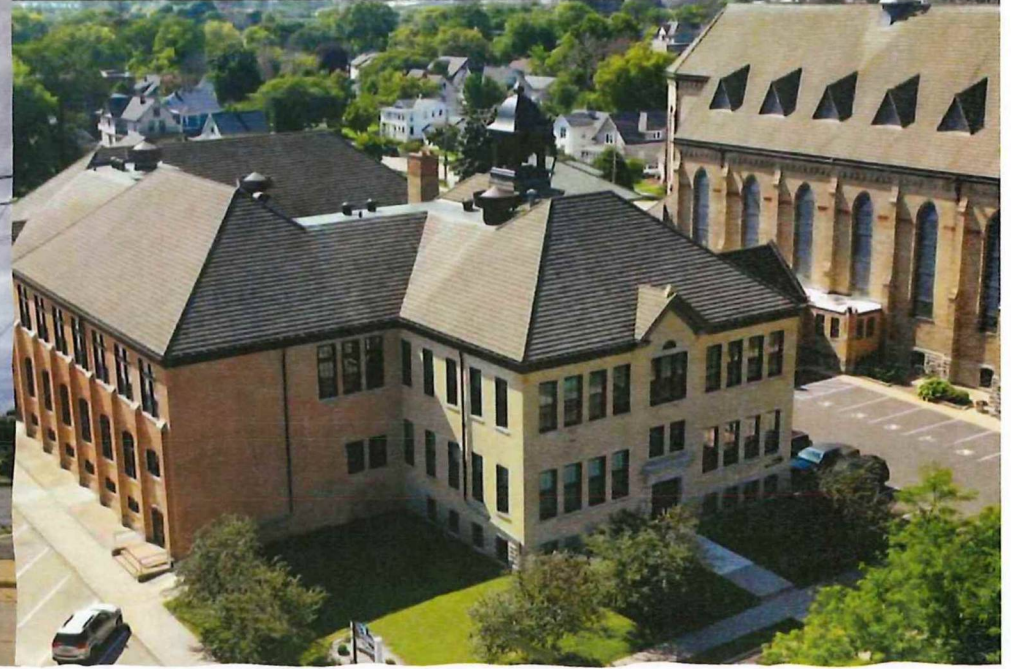
A handwritten signature in black ink that reads "Sean OB". The signature is written in a cursive, slightly stylized font.

Sean O'Brien
Principal
Northpointe Development Corporation
www.northpointedev.com

Attachments:



Before



After

Oshkosh WI



Cabrini School Senior Apartments -33 units





Viroqua, WI

65 units of workforce housing, 6000 sq ft daycare, 2500 sq ft retail



THE COMMONWEALTH COMPANIES

24 S. Brooke St.
Fond du Lac, WI 54935
www.commonwealthco.net

Date: May 18, 2023

Rep. Rob Brooks – Chairman
State of Wisconsin Assembly Housing Committee
Sen. Romaine Quinn – Chairman
State of Wisconsin Senate Housing Committee

RE: Support for AB 39- Modifications to the State Housing Tax Credit Program

Dear Committee Members:

First off, thank you all in advance for your consideration of this important bill.

Commonwealth is a national developer of affordable housing based in Fond du Lac, WI. We have developed more than 100 housing projects nationwide, and continue to expand our reach. The bulk of our work has been right here in our home state of Wisconsin. To date, we have developed 61 apartment communities, housing over 3500 Wisconsin families. Our development efforts span 30 counties and 41 different Wisconsin communities.

Commonwealth is in strong support of this bill and the need to expand the Wisconsin affordable housing tax credit. The existing program has been a documented success since its inception in 2018. Commonwealth has utilized the state housing credit on a number of our own projects. This *valuable resource has been critical to ensuring the financial viability of those important affordable housing communities.* However, speaking from our experience in other states, Wisconsin can be doing more to address the affordable housing crisis in our state. The expansion of the state housing credit is an opportunity to do just that, and remain competitive with other comparable states.

One thing I would like to highlight is the need to better address affordable housing in non-metro areas. Commonwealth has certainly done deals in metro areas, and will continue to do so going forward. However, we have long been a developer of housing in non-metro areas. These are markets where we are comfortable operating and have had success. We have a number of staff who grew up in rural communities and understand the challenges that places like Richland Center, for instance, are up against.

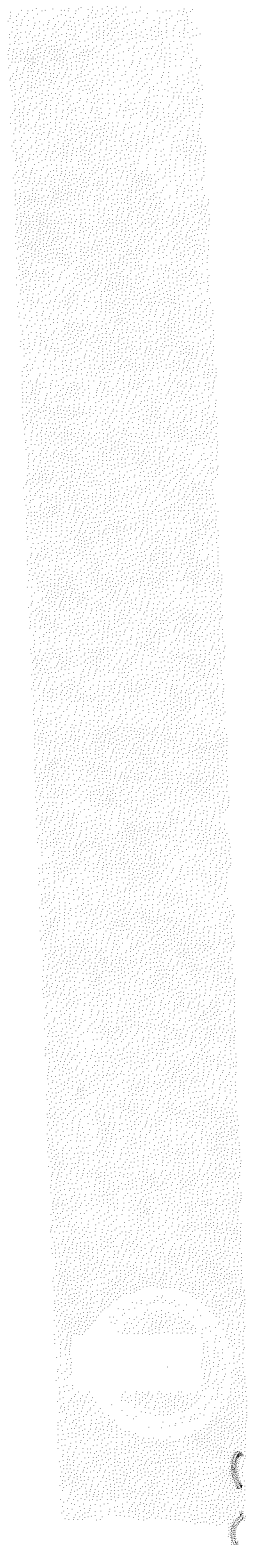
We currently have 7 projects underway in WI; albeit in varying stages of development. They are in communities like Mosinee, Ashland, Fond du Lac, and Kaukauna to name a few.

One project of particular note is in Barron, WI. We expect to close and commence construction on this development in the next 45 days. While this is extremely exciting, it's really long overdue. The road to addressing an unmet housing need in this small community has been challenging.

The combination of rising construction costs and spiking interest rates have created large funding gaps. This has led to delays in closing and commencement of construction while we attempt to solve the financial shortfall.

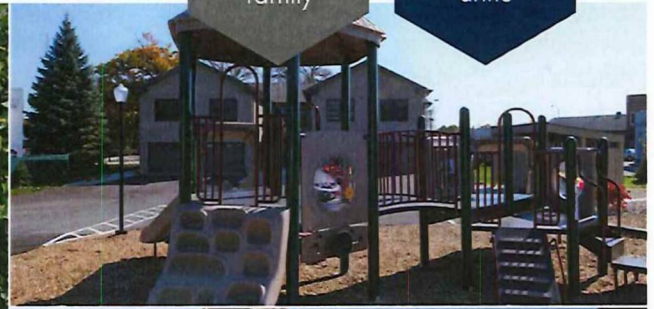
Handwritten notes in the bottom left corner, including the number "100" and some illegible scribbles.

Main body of handwritten text, appearing to be a list or series of notes, though the characters are extremely faint and difficult to decipher.



Fond du Lac Townhomes

📍 737 E Scott Street, Fond du Lac, Wisconsin 54935



Fond du Lac Townhomes offers 48 units of family housing, with locations on the east and west side of the city in Fond du Lac, WI. Each spacious 2 & 3-bedroom townhome includes a private entrance, private patio, attached garage, in-home washer & dryer and more. Additionally, residents have access to a community room, playground and on-site property management office.

Opened: 11/05/2010

Total Cost: \$5,231,000

Initiative: WI Focus on Energy



For more information, go to:

www.commonwealthco.net

P: 920.922.8170

E: info@commonwealthco.net

Auxiliary Court

📍 201 Auxiliary Court, West Bend, Wisconsin



60
units



Auxiliary Court is a 60 unit, senior housing development located in downtown West Bend, Wisconsin. The community offers 2-bedroom apartment homes with private balconies and in-unit washers & dryers. Additionally, the development includes underground parking, elevator, a beauty salon, community room, internet café, and a fitness center. The property has been at 100% occupancy (with an active wait list) since opening in 2012.

Opened: 3/16/2012

Total Cost: \$9,401,552

Financing Partners: PNC Bank, Wisconsin Preservation Fund



For more information, go to:
www.commonwealthco.net

P: 920.922.8170

E: info@commonwealthco.net

Muskego School Apartments

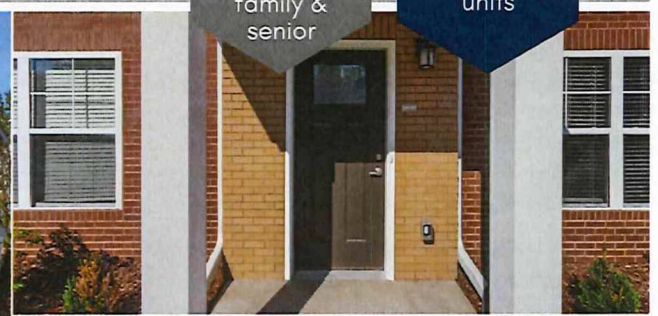
📍 S75 W17476 Janesville Road, Muskego, Wisconsin 53150



family &
senior

40

units



Muskego School Apartments offers 40 units of family and senior housing. Each spacious 3-bedroom townhome includes an attached garage, private entrance, private patio, walk-in closets, in-unit washer and dryer, extra storage and more. Additionally, the adaptive reuse of Muskego Elementary School provides 1 & 2-bedroom homes with a mix of historic charm and modern features. All residents have access to a community room, fitness center, business center and on-site property management office.

Opened: 10/01/2020

Total Cost: \$7,765,702

Initiative: WI Green Build Homes



For more information, go to:

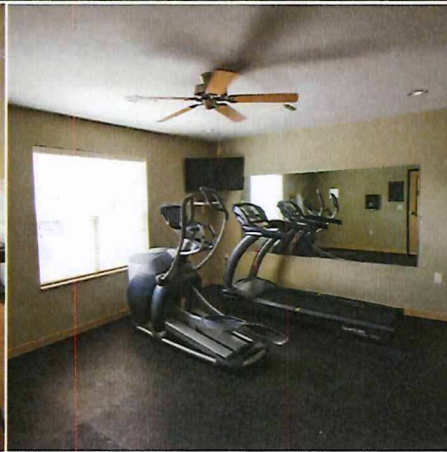
www.commonwealthco.net

P: 920.922.8170

E: info@commonwealthco.net

Beacon Avenue Cottages

610 E Beacon Avenue, New London, Wisconsin 54961



Beacon Avenue Cottages offers 40 units of family housing. Each spacious 2 & 3-bedroom cottage boasts a bright and sunny authentic Cape Cod feel and includes a private entrance, attached garage, private patio, large kitchenette and more. Additionally, residents have access to a clubhouse, business center, fitness center and on-site property management office.

Opened: 01/15/2018

Total Cost: \$5,400,000

Initiative: WI Green Build Homes



For more information, go to:

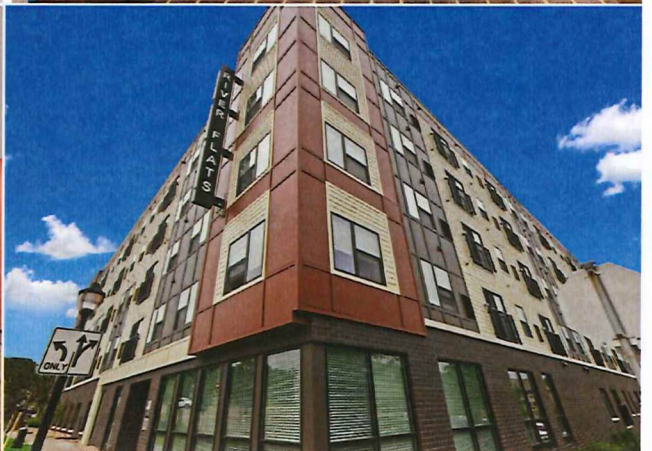
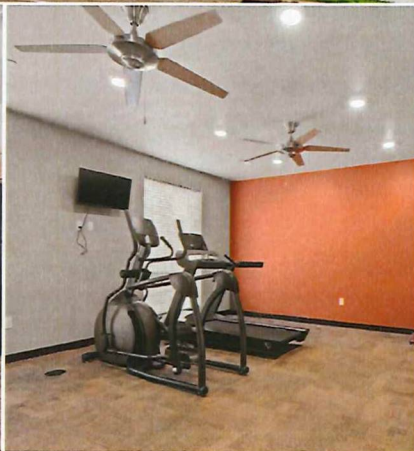
www.commonwealthco.net

P: 920.922.8170

E: info@commonwealthco.net

River Flats

📍 206 N Jackson Street, Janesville, Wisconsin 53548



River Flats offers 92 units of family housing located near the heart of downtown Janesville. Each 2 & 3-bedroom home features a spacious floor plan with large closets, energy-efficient appliances, in-unit washer & dryer, and more. Additionally, residents have access to a community room, fitness center, business center, underground parking, and on-site property management office.

Opened: 5/25/2021

Total Cost: \$18,218,800

Financing Partners: NEF, AHP, NHTF, TIF



For more information, go to:
www.commonwealthco.net

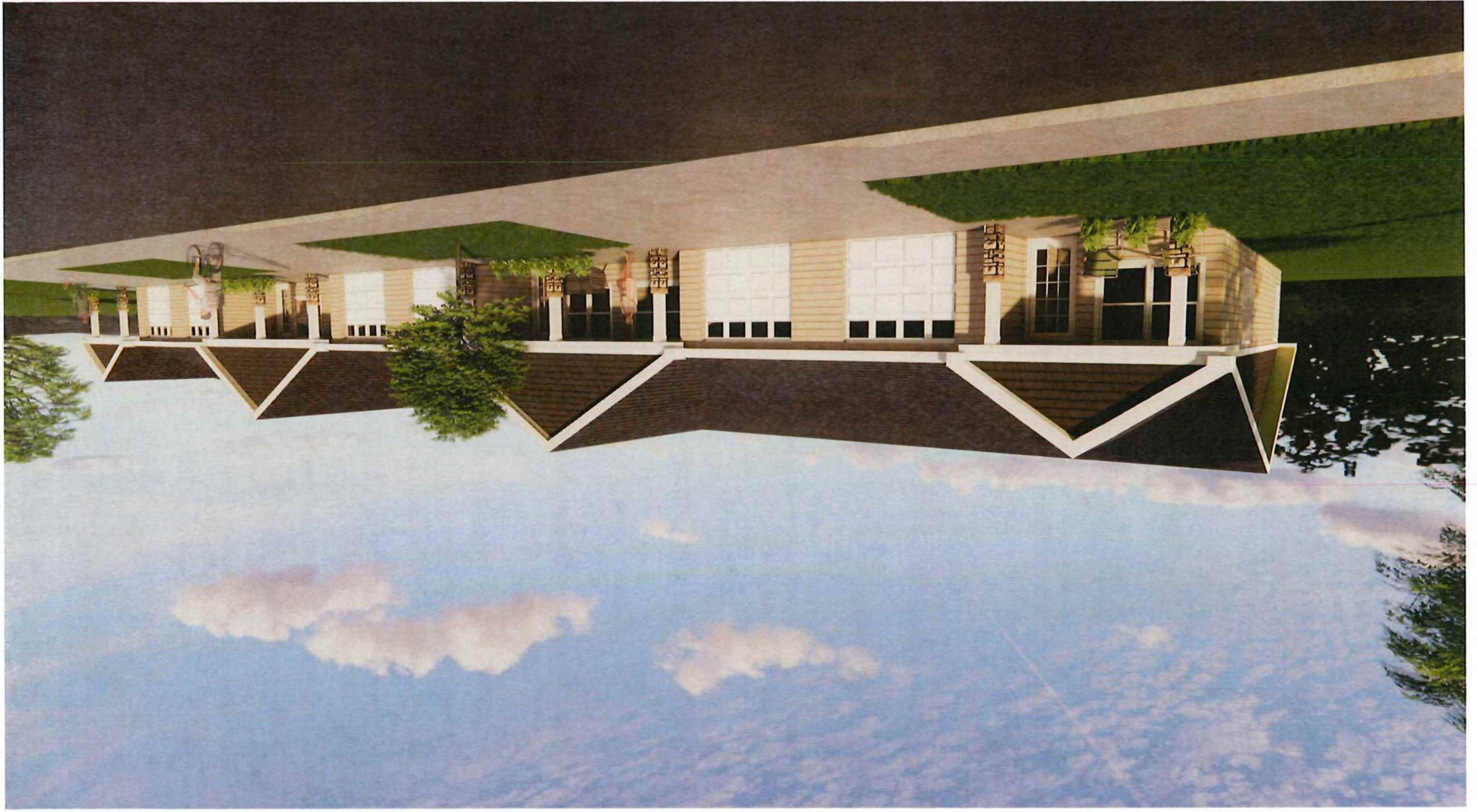
P: 920.922.8170

E: info@commonwealthco.net



PROPOSED APARTMENTS

CANDY LANE - BARRON, WI



PLEASE SUPPORT AB 39 / SB 40: *Housing Development Tax Credit Bill*

PRIORITY STATEMENT:

The Wisconsin Economic Development Association (WEDA) **SUPPORTS** Assembly Bill 39 / Senate Bill 40, important legislation that will enhance the current Wisconsin Low-Income Housing Tax Credit to better address the state's housing shortage and ultimately help Wisconsin employers recruit and retain workers. This simple, straightforward legislation would encourage the construction of much-needed multi-family housing that is affordable for Wisconsin workers and families.

BACKGROUND:

Like much of the nation, Wisconsin is currently experiencing a severe housing shortage, which has created a quality-of-life issue for Wisconsin residents and has magnified the significant workforce challenges faced by employers. The housing crisis touches every corner of the state and includes both a lack of owner-occupied housing and a shortage of rental units. In fact, according to a recent report, Wisconsin has a shortage of more than 120,000 rental units. Another new report by *Forward Analytics* found that Wisconsin needs to build up to 227,000 new housing units between 2020-30 to keep up with current demand, with most of the state's housing demands being driven by the need to accommodate younger individuals entering the workforce.

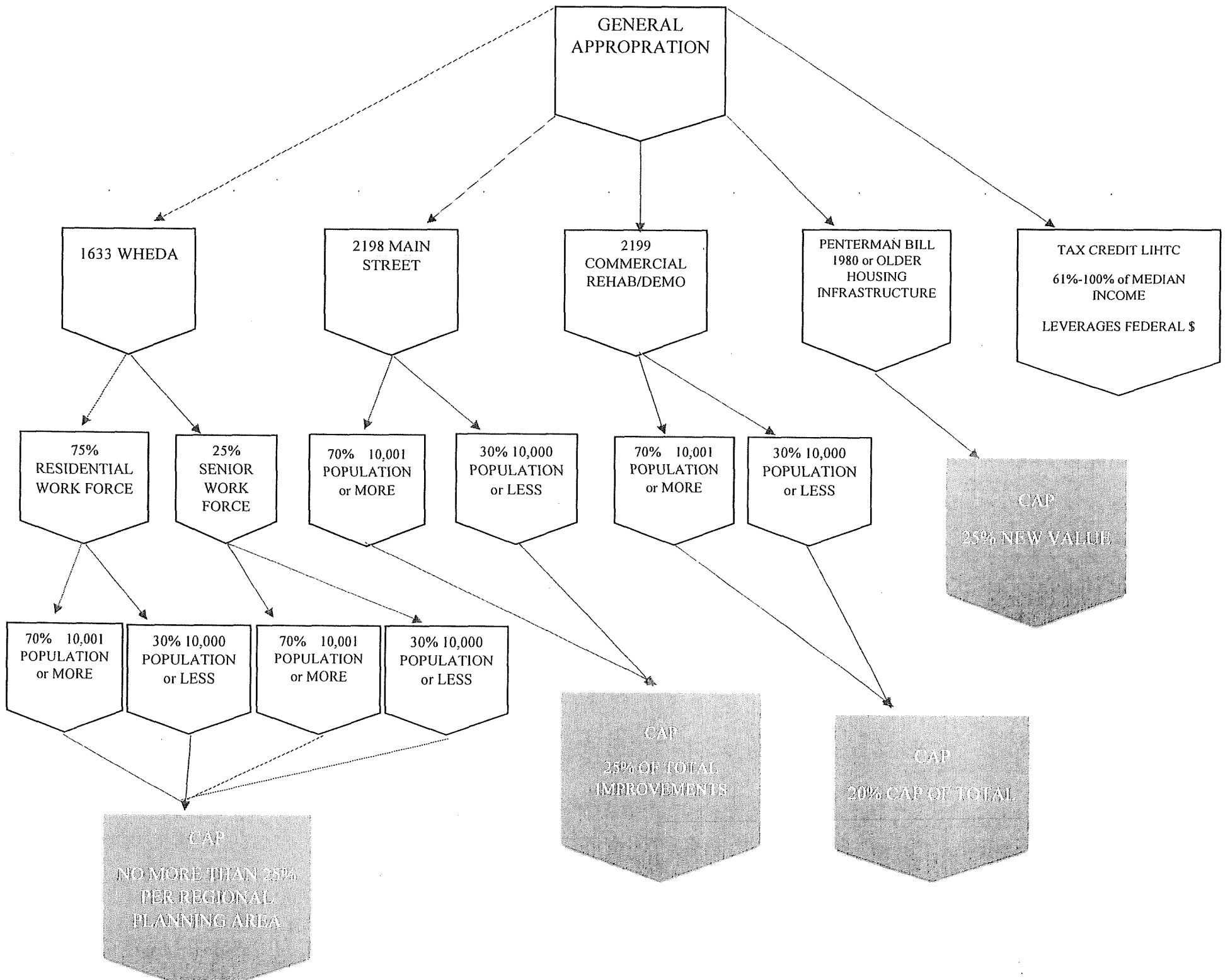
Simply put, there is not enough affordable housing to meet the needs of Wisconsin workers and their families. It is a key factor in the state's workforce shortage crisis and is a huge impediment to recruiting and retaining employees in the Badger State. WEDA believes it is critical for state policymakers to offer tools to help encourage the construction of needed housing in communities throughout the state.

BILL SUMMARY:

Under current law, the Low-Income Housing Tax Credit Program, which is administered by the Wisconsin Housing and Economic Development Authority (WHEDA), can allocate up to \$42 million in annual tax credits to spur the development of low-to-moderate income housing. AB 39 / SB 40 would increase the allowable amount of annual tax credits allocated by WHEDA to \$100 million. The bill also requires WHEDA, if possible, to direct at least 35% of the tax credits each year for housing projects in rural areas. In addition, the legislation expands eligibility for the tax credit program by removing the requirement that projects must be financed with tax-exempt bonds.

ACTION REQUESTED:

Please support AB 39 / SB 40, legislation to incentivize the construction of affordable housing for Wisconsin workers and families and to help ensure enough housing is being built to keep up with demand. If passed, this legislation will play a key role in addressing the state's housing crunch and the larger workforce shortage crisis that is threatening future economic growth.



features homes sold during the second quar- mike@pratt.com.

Home Affordability Report

	LOWEST THIRD		MIDDLE THIRD		HIGHEST THIRD	
	Sales Price	Monthly Payment	Sales Price	Monthly Payment	Sales Price	Monthly Payment
Bayside	\$355,000	\$2,539	\$450,000	\$3,246	\$550,000	\$4,024
Belgium	\$742,500	\$1,589	\$285,750	\$1,883	\$425,000	\$2,746
Brookfield	\$344,900	\$2,277	\$464,500	\$3,068	\$700,000	\$4,665
Brown Deer	\$208,000	\$1,472	\$269,900	\$1,880	\$336,000	\$2,447
Cedarburg	\$367,750	\$2,339	\$476,000	\$3,107	\$682,000	\$4,489
Cudahy	\$191,500	\$1,372	\$248,000	\$1,738	\$296,050	\$2,059
Delafield	\$405,500	\$2,624	\$725,000	\$4,632	\$1,200,000	\$7,624
Eagle	\$310,000	\$1,999	\$450,000	\$2,864	\$595,000	\$3,813
Elm Grove	\$460,000	\$3,077	\$570,000	\$3,884	\$745,000	\$5,006
Fox Point	\$380,000	\$2,698	\$460,750	\$3,342	\$762,500	\$5,395
Franklin	\$310,500	\$2,283	\$439,500	\$3,019	\$625,000	\$4,321
Genesee	\$375,000	\$2,376	\$473,500	\$3,080	\$635,000	\$4,074
Germanatown	\$347,500	\$2,795	\$445,500	\$2,972	\$672,500	\$4,057
Glendale	\$218,000	\$1,559	\$280,000	\$2,006	\$423,250	\$2,988
Grafton	\$320,500	\$2,071	\$425,000	\$2,709	\$552,000	\$3,710
Greendale	\$256,000	\$1,814	\$390,000	\$2,255	\$415,000	\$2,923
Greenfield	\$229,000	\$1,569	\$280,000	\$1,965	\$375,000	\$2,611
Hales Corners	\$270,000	\$1,844	\$341,015	\$2,377	\$447,500	\$3,109
Hartford	\$244,750	\$1,580	\$370,000	\$2,360	\$482,500	\$2,728
Hartland	\$350,000	\$2,216	\$490,000	\$3,109	\$672,000	\$5,650
Jackson	\$265,000	\$1,766	\$385,000	\$2,535	\$465,000	\$2,971
Lisbon	\$365,000	\$2,304	\$548,000	\$3,459	\$677,450	\$4,326
Menomonee Falls	\$283,438	\$1,860	\$370,000	\$2,408	\$578,042	\$3,788
Milwaukee	\$405,000	\$2,645	\$565,000	\$3,695	\$928,700	\$6,141
Milwaukee	\$324,900	\$2,035	\$336,500	\$3,364	\$726,700	\$4,660
Milwaukee	\$100,000	\$700	\$192,000	\$1,361	\$280,000	\$1,997
Milwaukee	\$312,500	\$1,997	\$432,500	\$2,753	\$604,900	\$3,990
Milwaukee	\$350,000	\$2,250	\$442,500	\$2,855	\$625,000	\$4,030
Muskegon	\$325,000	\$2,116	\$400,000	\$2,623	\$580,000	\$3,798
New Berlin	\$299,500	\$2,095	\$358,950	\$2,523	\$462,000	\$3,215
Oak Creek	\$350,000	\$2,261	\$498,996	\$3,264	\$687,500	\$4,541
Oconomowoc	\$316,000	\$2,003	\$500,000	\$3,189	\$704,750	\$4,489
Ottawa	\$368,566	\$2,344	\$495,050	\$3,277	\$765,000	\$5,000
Pewaukee	\$269,000	\$1,714	\$335,000	\$2,212	\$450,000	\$2,960
Port Washington	\$355,000	\$2,299	\$585,000	\$3,718	\$682,950	\$4,440
Richfield	\$400,000	\$2,889	\$547,500	\$3,928	\$772,500	\$5,722
Shorewood	\$381,000	\$2,307	\$515,000	\$3,299	\$544,950	\$3,578
Slinger	\$212,000	\$1,476	\$266,550	\$1,840	\$336,500	\$2,357
South Milwaukee	\$350,000	\$2,270	\$468,538	\$3,140	\$615,000	\$3,999
Sussex	\$361,000	\$2,314	\$440,000	\$2,907	\$580,000	\$3,703
Vernon	\$250,750	\$1,700	\$360,000	\$2,418	\$500,000	\$3,396
Waukesha	\$260,000	\$1,798	\$357,500	\$2,465	\$475,500	\$3,273
Wauwatosa	\$171,000	\$1,218	\$220,000	\$1,543	\$264,000	\$1,846
West Allis	\$246,000	\$1,638	\$301,000	\$2,010	\$439,750	\$2,964
West Bend	\$415,000	\$2,820	\$580,000	\$3,960	\$960,000	\$6,563
Whitefish Bay						

Estimated Maximum Family Income Limits at 100% of HUD Estimated 2022 County Median Income

FAMILY SIZE	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE
COUNTY :									
Brown	63,200	72,200	81,200	90,200	97,500	104,700	111,900	119,100	126,300
Calumet	67,000	76,600	86,200	95,700	103,400	111,100	118,700	126,400	134,000
Chippewa	62,700	71,600	80,600	89,500	96,700	103,900	111,000	118,200	125,300
Columbia	64,800	74,000	83,300	92,500	99,900	107,300	114,700	122,100	129,500
Dane	80,800	92,300	103,800	115,300	124,600	133,800	143,000	152,200	161,500
Dodge	57,100	65,200	73,400	81,500	88,100	94,600	101,100	107,600	114,100
Door	57,700	65,900	74,100	82,300	88,900	95,500	102,100	108,700	115,300
Douglas	59,800	68,300	76,800	85,300	92,200	99,000	105,800	112,600	119,500
Dunn	57,500	65,700	73,900	82,100	88,700	95,300	101,900	108,400	115,000
Eau Claire	62,700	71,600	80,600	89,500	96,700	103,900	111,000	118,200	125,300
Fond du Lac	59,000	67,400	75,800	84,200	91,000	97,700	104,500	111,200	117,900
Grant	56,300	64,300	72,300	80,300	86,800	93,200	99,600	106,000	112,500
Green	62,200	71,100	80,000	88,800	96,000	103,100	110,200	117,300	124,400
Green Lake	56,300	64,300	72,300	80,300	86,800	93,200	99,600	106,000	112,500
Iowa	63,400	72,400	81,500	90,500	97,800	105,000	112,300	119,500	126,700
Jefferson	61,700	70,500	79,300	88,100	95,200	102,200	109,300	116,300	123,400
Kenosha	62,700	71,600	80,600	89,500	96,700	103,900	111,000	118,200	125,300
Kewaunee	63,200	72,200	81,200	90,200	97,500	104,700	111,900	119,100	126,300
La Crosse	63,100	72,100	81,100	90,100	97,400	104,600	111,800	119,000	126,200
Lincoln	57,100	65,200	73,400	81,500	88,100	94,600	101,100	107,600	114,100
Manitowoc	56,500	64,600	72,700	80,700	87,200	93,700	100,100	106,600	113,000
Marathon	61,400	70,100	78,900	87,600	94,700	101,700	108,700	115,700	122,700
Milwaukee	66,100	75,600	85,000	94,400	102,000	109,600	117,100	124,700	132,200
Monroe	57,100	65,200	73,400	81,500	88,100	94,600	101,100	107,600	114,100
Oconto	56,300	64,300	72,300	80,300	86,800	93,200	99,600	106,000	112,500
Oneida	56,700	64,800	72,900	81,000	87,500	94,000	100,500	107,000	113,400
Outagamie	67,000	76,600	86,200	95,700	103,400	111,100	118,700	126,400	134,000
Ozaukee	66,100	75,600	85,000	94,400	102,000	109,600	117,100	124,700	132,200
Pepin	57,000	65,100	73,200	81,300	87,900	94,400	100,900	107,400	113,900
Pierce	82,200	93,900	105,600	117,300	126,700	136,100	145,500	154,900	164,300
Polk	56,300	64,300	72,300	80,300	86,800	93,200	99,600	106,000	112,500
Portage	63,000	72,000	81,000	89,900	97,100	104,300	111,500	118,700	125,900
Racine	60,500	69,100	77,700	86,300	93,300	100,200	107,100	114,000	120,900
Rock	57,100	65,200	73,400	81,500	88,100	94,600	101,100	107,600	114,100
St. Croix	82,200	93,900	105,600	117,300	126,700	136,100	145,500	154,900	164,300
Sauk	57,600	65,800	74,000	82,200	88,800	95,400	102,000	108,600	115,200
Sheboygan	59,300	67,700	76,200	84,700	91,400	98,200	105,000	111,700	118,500
Trempealeau	57,100	65,200	73,400	81,500	88,100	94,600	101,100	107,600	114,100
Walworth	61,600	70,400	79,200	88,000	95,100	102,100	109,200	116,200	123,200
Washington	66,100	75,600	85,000	94,400	102,000	109,600	117,100	124,700	132,200
Waukesha	66,100	75,600	85,000	94,400	102,000	109,600	117,100	124,700	132,200
Waupaca	57,100	65,200	73,400	81,500	88,100	94,600	101,100	107,600	114,100
Winnebago	59,500	68,000	76,500	85,000	91,800	98,600	105,400	112,200	119,000
Wood	56,300	64,300	72,300	80,300	86,800	93,200	99,600	106,000	112,500

Income limits for the counties below are based on the 2022 Median Family Income for the Neometropolitan portions of the state.

Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Florence, Forest, Iron, Jackson, Juneau, Lafayette, Langlade, Marinette, Marquette, Menominee, Price, Richland, Rusk, Sawyer, Shawano, Taylor, Vernon, Vilas, Washburn, Waushara	56,300	64,300	72,300	80,300	86,800	93,200	99,600	106,000	112,500
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250
1500
per mo
for rent

Estimated Maximum Family Income Limits at 140% of HUD Estimated 2022 County Median Income

FAMILY SIZE	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE
COUNTY :									
Brown	88,480	101,080	113,680	126,280	136,500	146,580	156,660	166,740	176,820
Calumet	93,800	107,240	120,680	133,980	144,760	155,540	166,180	176,960	187,600
Chippewa	87,780	100,240	112,840	125,300	135,380	145,460	155,400	165,480	175,420
Columbia	90,720	103,600	116,620	129,500	139,860	150,220	160,580	170,940	181,300
Dane	113,120	129,220	145,320	161,420	174,440	187,320	200,200	213,080	226,100
Dodge	79,940	91,280	102,760	114,100	123,340	132,440	141,540	150,640	159,740
Door	80,780	92,260	103,740	115,220	124,460	133,700	142,940	152,180	161,420
Douglas	83,720	95,620	107,520	119,420	129,080	138,600	148,120	157,640	167,300
Dunn	80,500	91,980	103,460	114,940	124,180	133,420	142,660	151,760	161,000
Eau Claire	87,780	100,240	112,840	125,300	135,380	145,460	155,400	165,480	175,420
Fond du Lac	82,600	94,360	106,120	117,880	127,400	136,780	146,300	155,680	165,060
Grant	78,820	90,020	101,220	112,420	121,520	130,480	139,440	148,400	157,500
Green	87,080	99,540	112,000	124,320	134,400	144,340	154,280	164,220	174,160
Green Lake	78,820	90,020	101,220	112,420	121,520	130,480	139,440	148,400	157,500
Iowa	88,760	101,360	114,100	126,700	136,920	147,000	157,220	167,300	177,380
Jefferson	86,380	98,700	111,020	123,340	133,280	143,080	153,020	162,820	172,760
Kenosha	87,780	100,240	112,840	125,300	135,380	145,460	155,400	165,480	175,420
Kewaunee	88,480	101,080	113,680	126,280	136,500	146,580	156,660	166,740	176,820
La Crosse	88,340	100,940	113,540	126,140	136,360	146,440	156,520	166,600	176,680
Lincoln	79,940	91,280	102,760	114,100	123,340	132,440	141,540	150,640	159,740
Manitowoc	79,100	90,440	101,780	112,980	122,080	131,180	140,140	149,240	158,200
Marathon	85,960	98,140	110,460	122,640	132,580	142,380	152,180	161,980	171,780
Milwaukee	92,540	105,840	119,000	132,160	142,800	153,440	163,940	174,580	185,080
Monroe	79,940	91,280	102,760	114,100	123,340	132,440	141,540	150,640	159,740
Oconto	78,820	90,202	101,220	112,420	121,520	130,480	139,440	148,400	157,500
Oneida	79,380	90,720	102,060	113,400	122,500	131,600	140,700	149,800	158,760
Outagamie	93,800	107,240	120,680	133,980	144,760	155,540	166,180	176,960	187,600
Ozaukee	92,540	105,840	119,000	132,160	142,800	153,440	163,940	174,580	185,080
Pepin	79,800	91,140	102,480	113,820	123,060	132,160	141,260	150,360	159,460
Pierce	115,080	131,460	147,840	164,220	177,380	190,540	203,700	216,860	230,020
Polk	78,820	90,020	101,220	112,420	121,520	130,480	139,440	148,400	157,500
Portage	88,200	100,800	113,400	125,860	135,940	146,020	156,100	166,180	176,260
Racine	84,700	96,740	108,780	120,820	130,620	140,280	149,940	159,600	169,260
Rock	79,940	91,280	102,760	114,100	123,340	132,440	141,540	150,640	159,740
St. Croix	115,080	131,460	147,840	164,220	177,380	190,540	203,700	216,860	230,020
Sauk	80,640	92,120	103,600	115,080	124,320	133,560	142,800	152,040	161,140
Sheboygan	83,020	94,780	106,680	118,440	127,960	137,480	147,000	156,380	165,900
Trempealeau	79,940	91,280	102,760	114,100	123,340	132,440	141,540	150,640	159,740
Walworth	86,240	98,560	110,880	123,200	133,140	142,940	152,880	162,680	172,480
Washington	92,540	105,840	119,000	132,160	142,800	153,440	163,940	174,580	185,080
Waukesha	92,540	105,840	119,000	132,160	142,800	153,440	163,940	174,580	185,080
Waupaca	79,940	91,280	102,760	114,100	123,340	132,440	141,540	150,640	159,740
Winnebago	83,300	95,200	107,100	119,000	128,520	138,040	147,560	157,080	166,600
Wood	78,820	90,020	101,220	112,420	121,520	130,480	139,440	148,400	157,500

Income limits for the counties below are based on the 2022 Median Family Income for the Neometropolitan portions of the state.

Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Florence, Forest, Iron, Jackson, Juneau, Lafayette, Langlade, Marinette, Marquette, Menominee, Price, Richland, Rusk, Sawyer, Shawano, Taylor, Vernon, Vilas, Washburn, Waushara

78,820	90,020	101,220	112,420	121,520	130,480	139,440	148,400	157,500
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Handwritten notes:
 @ 2570
 78,820 + 15,000 = 93,820
 23.8%
 230K @ 6/10/20

REAL ESTATE

SEAN RYAN covers commercial real estate

seanryan@bizjournals.com

414-908-0567

@seanryanmbj



CLOSER LOOK

FINANCING KEY TO TWO APARTMENT PROJECTS

Developers would add 236 units to Walker's Point neighborhood

For two pending affordable housing projects in Walker's Point, the question isn't whether there is demand from people who would rent the apartments, but whether their developers can round up enough money to build them in today's financial environment.

Those projects with a combined 236 units both were awarded affordable housing tax credits by the Wisconsin Housing and Economic Development Authority on May 3. That same morning, the U.S. Federal Reserve approved another interest rate hike, which could further expand the budget gaps both must plug in order to break ground.

Brandon Rule hopes to close his financing in about a year on a \$42 million development with 140 apartments at Freshwater Commons in Walker's Point. The CEO of Rule Enterprises called the housing tax credits the "most important piece" of the financing package, but said he still must plug an expected budget gap of about \$5 million.

Rule said he's exploring Community Development Block Grant funds, state brownfield money to



CONTINUUM

A rendering of the affordable apartments Rule Enterprises plans on East Greenfield Avenue in Milwaukee's Harbor District.



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help cope with environmental contamination on the site, city of Milwaukee funding, and the Affordable Housing Program that is operated by federal home loan banks.

S.R. Mills, CEO of Bear Development, secured credits for a new building with 96 apartments a few blocks north of Rule's project. Mills said he could also seek city of Milwaukee tax incremental financing and money through the federal home loan bank's AHP program.

milwaukee journal sentinel

WEST SUBURBS

An affordable housing project fell through in Wauwatosa. Storage units are taking its place.



Quinn Clark

Milwaukee Journal Sentinel

Published 6:03 a.m. CT March 24, 2023 | Updated 8:52 a.m. CT March 24, 2023

After plans for over 500 apartments in Wauwatosa fell through last year, property at the site, 1300 N. Glenview Place, sat vacant. Now, a storage company will take its place.

While some alderpersons urged the council to wait until a similar project could come back, plans for Hansen Storage Company passed this month with an 8-5 vote.

Along with the hundreds of units planned, the aborted project, named Glenview Place, included 77 affordable apartments. It won the city's approval in 2021 but was dropped last year for financial reasons.

Wauwatosa needs affordable housing, a recent study showed, but spikes in inflation and interest rates on commercial loans have made it increasingly difficult for such plans to come to fruition.

Milwaukee-based Hansen Storage Company plans to offer indoor space for retailers to store merchandise. There are no plans to demolish or alter the existing buildings, said Peter Hansen, president of the company.

Hansen Storage already has a 300,000-square-foot location in Wauwatosa, at 2880 N. 112th St., which offers both indoor and outdoor storage spaces. Hansen told the city's plan commission that the new site, managed by 10 employees, will be much smaller, occupying a portion of one of the existing buildings at the site which are both under 200,000 square feet.

The exact amount of space Hansen Storage will occupy isn't determined yet. Hansen plans to lease out the remainder of the property to other businesses for storage purposes.

Florida's \$711M affordable housing bill becomes law

It aims to incentivize developers of affordable, workforce housing with tax breaks, zoning workarounds



Gov. Ron DeSantis (Getty)

MAR 29, 2023, 1:10 P.M

By

[Katherine Kallergis](#)

Save article

Florida Gov. Ron DeSantis signed affordable housing legislation that will pump \$711 million into housing programs and incentivize developers with major tax breaks.

DeSantis signed Senate Bill 102, known as the Live Local Act, on Wednesday, days after the legislation passed in the Florida House of Representatives. In addition to setting aside funds for affordable housing, the law will supersede local governments' zoning, density and height requirements for affordable housing in areas zoned for commercial or mixed-use development. It also strips local municipalities' ability to enact rent control, which was previously only possible during a housing emergency.

Developers of affordable housing and to a certain extent, those with mixed-use projects, will likely take advantage of the new law. Attorney Keith Poliakoff, of Fort Lauderdale-based Government Law Group, previously told *The Real Deal* that the legislation "takes a lot of the handcuffs off" of affordable housing developers.

Local governments would be required to allow multifamily or mixed-use residential projects that set aside at least 40 percent of the residential component for affordable housing for a period of at least 30 years. For projects allocating at least 65 percent of the square footage to residential, a county would not be able to restrict the height of a

proposed development below what's currently allowed within one mile of the planned project.

The \$711 million could also help fill funding gaps that have resulted in stalled projects across the state, at a time when the need for affordable housing has reached record highs, attorneys say.

South Florida became one of the least affordable housing markets in the country last year, following large gains in home prices and rents during the pandemic. That was in part fueled by the migration of people from out of state.

The funding breaks down to:

- \$259 million for the state's SAIL (State Apartment Incentive Loan) program, which provides low interest loans to workforce housing projects
- \$252 million for the SHIP (State Housing Initiatives Program), to incentivize local governments to partner with developers preserving or building new housing. Florida Housing and Finance Corporation administers SAIL and SHIP funds.
- \$100 million in non-recurring funds for FHFC to put into a competitive loan program that developers could tap to cover inflation-related cost increases for FHFC-approved multifamily developments that haven't broken ground yet.
- \$100 million for the Florida Hometown Heroes Housing Program. The homeownership assistance program, which was created last year, allows some buyers to finance home purchases with no-interest loans to reduce their down payment and closing costs. The law would codify the program and expand eligibility to more people, according to the Senate's analysis. Those buyers include people in law enforcement, military, first responders and teachers.

The Live Local Act also increases the amount of tax credits available through the Community Contribution Tax Credit Program for affordable housing to \$25 million annually, from \$14.5 million. And it provides up to a \$5,000 sales tax refund for building materials used to construct affordable housing units that were funded by FHFC.

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